

# SENATE BILL REPORT

## SB 6095

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As of February 27, 2009

**Title:** An act relating to the Puget Sound pilotage district tariff.

**Brief Description:** Clarifying that retirement costs continue to be authorized as a charge included in the Puget Sound pilotage district tariff.

**Sponsors:** Senators Haugen and Swecker.

**Brief History:**

**Committee Activity:** Transportation: 2/26/09.

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### SENATE COMMITTEE ON TRANSPORTATION

**Staff:** Kelly Simpson (786-7403)

**Background:** Under current law, the Board of Pilotage Commissioners (Board) must provide for the maintenance of efficient and competent pilotage service on the waters of the Puget Sound pilotage district and the Grays Harbor pilotage district. To this end, the Board examines the proficiency of potential pilots, licenses pilots, enforces the use of pilots, sets pilotage rates, investigates reported accidents involving pilots, keeps records of various matters affecting pilotage, and performs various other duties as required by law.

**Summary of Bill:** As part of its annual tariff (rate) setting process for pilotage services, the Board must fix a charge in the Puget Sound pilotage district tariff that covers various retirement costs incurred in the prior year for pilot retirement plans.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: For many years the Board has provided an identifiable pension charge in the Puget Sound pilotage district tariff. This bill does not change current practice. Due to recent legal advice given to the Board, the Board has

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decided not to provide an identifiable pension charge in the Puget Sound tariff. This jeopardizes retired Grays Harbor pilots who depend on their retirement benefits being supported by the Puget Sound pilots. Grays Harbor pilots used to be private contractors, but are now employees of the Port of Grays Harbor. Since that change, Puget Sound pilots, per arrangement, have supported paying retirement benefits for Grays Harbor pilots.

CON: The Board has looked into this and has decided not to provide the pension charge. It would provide too close of a connection between the state and private pension plans. This could impose liability on the state. The bill looks like a pay increase for Puget Sound pilots, who are already highly paid. The industry is in financial crisis and this bill might push more shippers to Long Beach.

OTHER: We support pilots receiving retirement benefits, but the bill does not provide the Board with any criteria to follow in setting the pension charge.

**Persons Testifying:** PRO: Walt Tabler, Puget Sound Pilots; Ben Watson, Grays Harbor retired pilot.

CON: Jordan Royer, Pacific Merchant Shipping; Vince Addington, former Pilotage Commissioner; Jeff Thompson, citizen.

OTHER: Elsie Hulsizer, People for Puget Sound (Pilotage Commissioner).